

Guide for Plant Appraisal, 9th Edition

Authored by the Council of Tree and Landscape Appraisers, *Guide for Plant Appraisal, 9th Edition*, is the professional plant appraiser's how-to manual for determining size, species, condition, and location factors that influence the value of plants. Not only is it an invaluable source for establishing the evaluation of plant casualties, but the guide is also a reference for real estate transactions, insurance purposes, plant condemnation actions, and tree inventories. (Please note that special ratings lists are available from local chapters.) © 2000, softcover, 143 pp.

#P1209 • Retail Price: \$125.00 • Member Price: \$75.00



Guide for Plant Appraisal Workbook

A highly recommended learning tool, this workbook is designed to accompany appraisal methods. Use this workbook for practical experience working through sample appraisal problems as well as using calculations necessary for determining evaluations. © 2000, 12 pp.

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Scope of the 10th Edition of the *Guide for Plant Appraisal*

By the Council of Tree and Landscape Appraisers, all members

Recently, the Council of Tree and Landscape Appraisers (CTLA) has received many inquiries from landscape appraisers regarding what sort of guidance will be included in the Tenth Edition of the *Guide for Plant Appraisal*. In response, we offer the following summary of the scope for the upcoming tenth edition of the *Guide*.

After significant review of established appraisal literature and solicited input from landscape appraisers, representatives of the Appraisal Institute, the U.S. Forest Service, governmental regulatory bodies, and professionals within the insurance, real estate, municipal, and legal communities, the CTLA recognized a need to expand the *Guide* and discuss appraisal principles, concepts, and procedures.

Basic appraisal theory and procedures provide the foundation needed to define appraisal problems, choose and employ a variety of approaches, methods, and techniques for appraising assets in the landscape, and appropriately solve for a variety of appraisal problems.

Taking a closer look at the first step in the valuation process, defining the appraisal problem, we recognize the need for plant appraisers to identify the purpose and use of the appraisal. Oftentimes the client stipulates the use of the appraisal (e.g., for assessing damages), and then the client and appraiser agree upon its purpose (e.g., to estimate monetary value or cost). The purpose and use of the appraisal is often what tree consultants typically identify as a consulting or appraisal assignment.

Based on past guides, recent tree appraisal literature, and input from tree appraisers, the CTLA identified some common appraisal assignments (purpose and use):

- To estimate the costs necessary to replace benefits or hypothetically reproduce trees, after trees have been damaged or removed, for assisting decision makers in litigation or with insurance claims.
- To estimate the costs necessary to restore damaged landscapes to a pre-damaged condition for assisting decision makers with litigation or with insurance claims.
- To estimate a specified type of value of trees, after trees have been wrongfully damaged or removed, for assisting decision makers litigation or with insurance claims.
- To estimate a specified type of value of trees or restoration costs, after trees have been damaged or destroyed as a result of a naturally-occurring casualty, for assisting clients with claiming casualty loss to the Internal Revenue Service.
- To estimate a specified type of value of trees, prior to their being taken under eminent domain proceedings.
- To establish the basis for penalties or fines to be paid for wrongful damage or removal of trees.

- To estimate a cost/benefit analysis of urban forest canopy to assist decision makers in budgeting.
- To estimate a specified type of value of trees, to assist decision makers in understanding potential income earnings or loss.
- To estimate a specified type of value of trees, prior to the selling of the property to which trees are attached, to assist buyers and sellers with understanding the value trees contribute to the property.

Based on the purpose and use of the appraisal (assignment), it is the responsibility of the plant appraiser to identify the relevant type of value or cost to be sought. In order to support the relevancy of the type of value or cost to be sought, it is important for appraisers to define specified types of value or cost in clear and unambiguous terms.

The Tenth Edition will discuss various types of values and costs commonly estimated by plant appraisers; examples include:

- Cost of repair: expenditures made or required to cure deterioration caused by decay, wear and tear, or partial destruction.
- Replacement cost: The cost to replace an improvement with a similar item having equivalent functional utility. When subtracting accrued depreciation from cost new, the estimate becomes a depreciated replacement cost.
- Reproduction cost: The cost to replace an improvement with an exact replica. When subtracting accrued depreciation from cost new, the estimate becomes a depreciated reproduction cost.
- Market value (personal property, real estate): Stated in very simple terms, the appraiser's estimate of market value is an opinion of the probable price obtainable in a market free of abnormal influences.
- Non-market value (value in use, public interest value, etc.): general term for any value that is not based in the concept of exchange or rooted in actual transactions between buyers and sellers, or that cannot be obtained from market prices.

The CTLA categorized various types of costs and value to be estimated, and identified a variety of methods and techniques used for estimating them. The Tenth Edition will offer comprehensive chapters on the cost, sales comparison, and income approaches. It will include practical examples of how to apply these approaches for estimating various types of costs and values, and delve into many different

analytical tools, techniques, and methods needed to solve for a variety of common landscape appraisal problems. Further, the Tenth Edition will offer much more guidance for using multiple approaches to solve an appraisal problem, and how to reconcile the results into a conclusion. It will also provide more insights and guidance around testing for the reasonableness of the appraiser's conclusion.

Plant appraisers have asked the Council for guidance on estimating the market value of landscaping where it is a component of the overall real estate. Much of the foundation laid out in the Tenth Edition will aid readers in understanding how to approach this type of assignment. We are developing practical examples of how to identify situations where contributory value should be estimated and what steps to follow. We have received much encouragement from constituents who recognize the need for such guidance.

The CTLA is committed to improving understanding around the applicability, strengths, and weaknesses of various valuation tools. While much of our early work focused on concepts revolving around market value, we are currently focusing on cost estimation. We remain convinced that cost estimation and cost-based values will continue to play an important role in the plant appraiser's work. Therefore, we are evaluating ways to improve the Trunk Formula Method, developing guidance for cost-forwarding (years to parity) techniques, and addressing depreciation in detail. Further, we are evaluating additional methods and techniques that will need to be introduced to plant appraisers in order to solve for the full range of appraisal assignments that arise, including areas of non-market value and ecosystem services.

In addition to offering foundational appraisal principles and procedures, guidance to landscape appraisers for employing the three basic appraisal approaches, and how to apply various techniques within each approach, the Tenth Edition will include a useful table of contents, a detailed index, and a glossary of terms for quick reference. It will also include a chapter on frequently asked questions, so as to directly address issues that have surfaced among plant appraisers.

Finally, the Council of Tree and Landscape Appraisers will be soliciting peer reviewers from an expansive list of professionals within the green industry and insurance, real estate, municipal, utility, legal, and appraisal communities. As always, we continue to remain open and responsive to professionally communicated input from potential users of the *Guide*. **AN**



Detective Dendro Root Addendum

The Root of the Matter

Readers often wonder how many details in Detective Dendro tales are true. Most recently, arborists have asked about the Roger Williams Root, which was the subject of the April 2009 installment. Many thought it must have been made up, but it actually does exist! Ghastly and ghoulish, the gnarly carnivore is preserved and displayed with other unique items in the John Brown House, a short stroll from the ISA Conference venue (Providence, Rhode Island), and the start of the Benefit Street Walking Tour.

Curator "Rebekah Radix" will not be there; she was an amalgamation of Rhode Island Historical Society staff who expertly reviewed the article for accuracy, as all *Arborist News* articles are. If you want to visit Roger this summer, he won't be in Roger Williams Park for Arbor Fair, security is on high alert since Codit took the root for its last field trip.

Photos courtesy of RoadsideAmerica.com and the Rhode Island Historical Society (www.RIHS.org).

